GOVERNMENT OF INDIA
COAL
LOK SABHA

STARRED QUESTION NO:7
ANSWERED ON:20.02.2001
PRIVATE PARTICIPATION IN COAL SECTOR
B.K. PARTHASARATHI;GUNIPATI RAMAIAH

Will the Minister of COAL be pleased to state:

(a) the policy of the Government with regard to the mining and exploration of coal at present;

(b) the reasons for taking the decision to privatise the coal industry;

(c) whether this decision has been criticised widely;

(d) if so, whether the workers in various coal mines have been on strike on the issue of privatisation of coal mines;

(e) the production and monetary losses suffered by the Government as a result thereof; and

(f) the corrective steps being taken by the Government to upgrade the coal sector?

Answer

MINISTER OF STATE FOR COAL (SHRI SYED SHAHNAWAZ HUSSAIN)

(a) to (f) A statement is laid on the Table of the House.

Statement referred to in the answer to parts (a) to (f) of the Lok Sabha Starred Question No.7 for 20.02.2001

(a) & (b) Private coal mines were nationalized in 1972 and 1973 in order to augment coal production in the country by adopting advanced mining technology. In 1993, private sector participation in coal mining was allowed by allowing coal mining for captive use by companies engaged in production of iron & steel, power generation and washing of coal obtained from a mine. Later on, companies engaged in cement production were also allowed coal mining for their captive use.

Recent assessment about the demand and supply position of coal over the next decade made by the Planning Commission and the Ministry of Coal shows a gap of 41.94 million tonnes, 162.28 million tonnes and 260.30 million tonnes during 2001-02, 2006-07 and 2011-12 respectively. Public sector alone will not be able to mobilize adequate resources to step up coal production to meet the ever increasing demand. The Central Government has, therefore, decided to allow Indian companies to do coal mining without the restriction of captive consumption, and to engage in exploration of coal, subject to appropriate legislative changes.

(c) to (e) Some trade union organisations have been opposing the opening up of various areas of national economy, including coal, to the private sector. The All India Workers' Federation, a trade union organisation affiliated to CITU, went on strike from 20th November, 2000 to 22nd November,2000 in support of a number of demands which included opposition to the private sector's entry in coal mining . The production losses of coal and monetary loss, suffered by the subsidiary companies of Coal India Limited due to the above strike were 7.5 lakh tonnes and Rs. 36 crores (approximately) respectively.

(f) The Coal Mines (Nationalisation) Amendment Bill, 2000 has been introduced in the Rajya Sabha, which seeks to allow Indian companies to undertake non-captive coal mining in the new blocks of coal and lignite and also exploration of coal and lignite resources. The amendments are necessary for augmentation of coal production in the country in order to bridge the gap between the demand and supply of coal at the end of X and XI Plan periods. The steps taken to upgrade the coal sector include measures for improvement in productivity, capacity utilisation, quality enhancement and consumer satisfaction.